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FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.29.2010

Wall

Street Journal: "Criminal

Probe Looks Into Goldman Trading ... Federal prosecutors are conducting a criminal investigation into whether Goldman Sachs Group Inc. or its employees committed securities fraud in connection with its mortgage trading, people familiar with the probe say."

Wall

Street Journal: "Buffett

Is Expected to Fire at Will ... Soon after the Securities and Exchange Commission sued Goldman Sachs Group Inc. alleging fraud, Goldman Chief Executive Lloyd Blankfein asked Warren Buffett for tips on how to handle the explosive situation, according to people familiar with the matter."

Wall

Street Journal: "Bank

Bill Attracts Populist Amendments ... Senate lawmakers in both parties are planning populist attacks on Wall Street by proposing a flurry of amendments to pending financial-markets legislation in coming weeks."

Wall

Street Journal: "Banks'

Capital Bill Under Overhaul Package: \$85 Billion ... Large banks could face an \$85 billion capital deficit if certain elements of the federal government's financial-overhaul package are passed, according to one of the first reports from Wall Street analysts on the impact of the bill."

Wall

Street Journal: "Some

Fund Managers Want More Rules ... As the debate about financial overhaul drags on, it has become axiomatic that more oversight will hurt investors."

Wall

Street Journal: "White

House Identifies Fed Governor Slots ... The White House tonight identified the slots at the Federal Reserve Board that its three latest nominees would fill (if approved by the Senate). Each of the seven Fed governors has a 14-year term."

Wall

Street Journal: "Life

After Bankruptcy ... Remember CIT Group, the financial services company that the Treasury Department thought was too big to fail last year? Turns out there was no need for a "resolution process" in this case. The company's recent revival should persuade Senate Democrats that they really don't need to save big banks and their creditors from the Constitutional process of bankruptcy."

Wall

Street Journal: "Ironing

Out the Kinks in the Dodd Bill ... Imagine a future in which Sen. Chris Dodd's financial reform bill was law and a firm like AIG or Lehman Brothers failed."

Washington

Post: "Goldman

may face Justice Department review ... The Securities and Exchange Commission has referred its investigation of Goldman Sachs to the Justice Department for possible criminal prosecution, less than two weeks after filing a civil securities fraud case against the firm, according to a source familiar with the matter."

Washington

Post: "Senate

begins debate on overhaul of financial regulation ... The Senate began debating a far-reaching bill Thursday to overhaul financial regulations, bracing for a series of amendments in coming days that will highlight key divisions between Democrats and Republicans."

Washington

Post: "In

Lower Manhattan, protesters split anger among banks, Washington, joblessness ... The official target was big banks, but the message was aimed at Washington as much as Wall Street."

Washington

Post: "Obama

selects Fed governors with experience in oversight, spotting risks ... With his nomination of three new Federal Reserve governors Thursday, President Obama set the stage for a central bank that is more focused on the oversight of banks and more attuned to identifying emerging risks in the economy."

Washington

Post: "Geithner

tells panel that more has to be done to help homeowners avoid foreclosure ... Treasury Secretary Timothy F. Geithner told a Senate panel Thursday that mortgage lenders were still not doing enough to help homeowners avoid foreclosure and that some borrowers who qualify for federal aid are still

losing their homes."

Washington

Post: "Let's

keep banks from growing too big to regulate ... Wall Street executives and newspaper editorial boards argue that it's not size but the systemic risk and the interconnectedness of "too big to fail" banks that matter ["Bailing out of bailouts," editorial, April 25]."

Washington

Post: "Leaving

the euro behind? ... Two months ago, his back against the wall, the finance minister of Greece chose a strangely honest metaphor to describe his country's prospects: "We are basically trying to change the course of the Titanic.""

NY

Times: "Rescue

Plan for Greece Could Be Reached by Saturday ... A spokesman for the European Commission said on Friday that a loan package for Greece could be decided by Saturday, dismissing calls by some economists and other commentators to restructure Greece's debt."

NY

Times: "Democrats

Tweak Bank Bill to Preclude Bailouts ... The Senate opened debate on Thursday on a far-reaching financial regulation bill, and Democrats moved quickly to demonstrate that the legislation would not provide any future taxpayer bailouts of failing financial companies - answering a Republican criticism that the Democrats had dismissed as false."

LA

Times: "Goldman

Sachs in cross hairs of financial reform debate ... The proposed overhaul of financial regulations was boosted by Senate hearings that turned Goldman Sachs Group Inc. executives into poster boys for Wall Street excess, but the bill senators started debating Thursday would do nothing to outlaw the secret bets Goldman made against the very securities they sold to investors."

USA

Today: "Senate

begins debate on Wall Street reform ... Days of high-decibel partisanship yielded to slightly more subdued accusations as the Senate lurched into action Thursday on legislation reining in Wall Street and risky investments that nearly wrecked the economy in 2008."

Washington

Times: "PRUDEN:

Calling in the clowns to reform Wall Street ... Henry Kissinger once observed that it was too bad that Iran and Iraq couldn't both lose their war with each other."

Washington

Times: "EDITORIAL:

Big Brother loves 'financial reform' ... The next time you make a withdrawal from an automated teller machine, Treasury Secretary Timothy F. Geithner might be watching over your shoulder. Boosted by the sweeping, 1,400-page financial regulatory proposal currently making its way through the Senate, Mr. Geithner would have unprecedented, real-time access to a wealth of personal and corporate financial data - all in the name of protecting the public."

Fortune:

"The

race to kill the ratings agencies ... The legal noose is tightening around credit ratings agencies, for practices past and future."

Investor's

Business Daily: "Too-Big-To-Fail

Fannie And Freddie Are Dodd-Frank Model For Reform ... "I do think I do not want the same kind of focus on safety and soundness that we have in OCC (Office of the Comptroller of the Currency) and OTS (Office of Thrift Supervision). I want to roll the dice a little bit more in this situation towards subsidized housing ... ."

Politico:

"Democrats head to

New York for Wall Street dough ... While Democrats push Wall Street regulations on the Senate floor, Banking Committee Chairman Chris Dodd (D-Conn.) and Sen. Kirsten Gillibrand (D-N.Y.) will head to Manhattan Monday for a fundraiser with deep-pocketed donors who have ties to the financial industry."

The

Hill: "For

Wall Street, financial reform takes a bad turn in Senate ... Wall Street is watching financial reform turn into a full-on crackdown by Washington."